

MEMORANDUM FOR: General Cushman

Attached are:

OMB's report, "A Review of the Intelligence Community"; and

The Agency's comments on the Review, the original of which the Director gave to Jim Schlesinger on 20 April.



L. K. White

30 April 71

(DATE)

*Backup off #2*

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1 AUG 54 WHICH MAY BE USED.

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## COMMENTS ON "A REVIEW OF THE INTELLIGENCE COMMUNITY"

1. The Review raises, on behalf of the President, a valid basis for examining the intelligence community, with the objectives of improving the overall quality of intelligence products and reducing the community's size and cost. While there may be differences of opinion as to the causes of, and solutions to, the problems the Review describes, it is worth our most serious consideration to see what we can do to bring about the desired improvements.

2. The principal thrust of the Review deals with resource control and management, and it is here that the most significant improvements can be made. The law, Presidential letters, and other directives have been silent as to the role the Director of Central Intelligence was to play in resource management. Lacking clear direction toward a stronger position regarding resource requirements and allocation, the evaluation of their effectiveness, the selection of new systems, and the phasing out of the old, the Director has had little basis to balance his coordinating authority over substance with a comparable authority over resources. The Review quite properly recognizes that nearly eighty-five percent of the total resources are funded and controlled by the Secretary of Defense. The Department of Defense must therefore be very heavily involved in any changes directed toward improvement in resource management and control.

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3. The Secretary of Defense has made a good beginning in making the Assistant Secretary of Defense for Administration also responsible for coordinating intelligence. In his posture statement of 9 March 1971, the Secretary of Defense recommended the creation of a second Deputy Secretary and two additional Assistant Secretaries of Defense to enhance civilian supervisory management of the Department. An Assistant Secretary devoting his full time to Department of Defense intelligence activities and reporting to one of the two Deputy Secretaries would seem to be a considerable improvement over the present arrangement. This is probably enough legislation to ask for at this time. In fact, the kind of legislation which would be required under either Option I or II of the Review could well lead to a wrangle in the Congress which might in the end emasculate the intelligence effort. There are other drawbacks to Options I and II, but these alone are enough to rule them out as realistic solutions. And the Review itself seems to recognize that Option III has enough built-in problems to minimize its chances of being very effective. It follows that some variant of these three Options which could be accomplished under existing Presidential authority and without legislation, offers the greatest hope of accomplishing the President's objectives.

4. Given the wide deployment of resources, disparate interests, and jurisdictional boundaries within the community, it is very doubtful

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that the Director of Central Intelligence can command the entire community. He should, however, under an appropriate mandate be able to coordinate it effectively.

5. If the President desires that the DCI coordinate the resources of the intelligence community, this could be done through a Presidential or National Security Council directive to the DCI, the Secretary of Defense, and the Secretary of State. Such a directive would as a minimum need to provide for DCI coordination of programs, budget preparation, and final review before submission to the President. It would also need to provide for continuous program review and coordination of budget administration. Results would depend in large part on the cooperation of the Secretary of Defense and the Secretary of State and, more importantly, on strong Presidential support.

6. The product will never be as good as we would like it to be. It should, however, be as good as we can make it. The Review deals with the possibility of separating production units of CIA from the collectors in order to ensure objectivity. This would be a great mistake. It is administratively quite simple to ensure that the collector is not also the evaluator of the information he collects. The fact that the production components usually have collateral from other, and sometimes several, sources also minimizes this risk. In any case, to disembody the Central

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Intelligence Agency and leave the Director of Central Intelligence without command of, and intimate association with, those units upon which he must depend to support production would take away what control he now has of the intelligence process. The resultant deterioration of the process and the product is predictable. It simply isn't viable.

7. Some mechanism to bring the consumer closer to the producer is much to be desired, and the Review's suggestion that this might be done through a high-level consumer council has much to commend it.

8. If the President should direct that the Director of Central Intelligence assume responsibility for coordinating the resources of the intelligence community in line with the suggestion made herein, it would be necessary for the Director to delegate more of his day-to-day management responsibilities for the Central Intelligence Agency, which is perfectly feasible.

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Remarks:

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I finally got around to asking the Director about access to the Schlesinger study on the intelligence community. I reminded him that he had already given permission to the historians to read it but said you had had a couple of other requests, e.g., from an IC Staffer. He said he doesn't mind its being seen by anyone who "has a good reason" to see it and that Mr. Evans should make such judgment if you have future requests.

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Get a copy of the Schlesinger/Smith report to the White  
House entitled "Review of the Intelligence Community" 25X1

Date - around March/April 1971

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Remarks:			
<p>Schlesinger's "A Review of the Intelligence Community" per your request. If possible I would appreciate having this document returned to ER within 30 days.</p> <p>STAT</p> <p>STAT</p> <p>ext <span style="border: 1px solid black; padding: 2px;">29 April 74</span></p>			
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